Unemployment rate rises to 3.9% in November

Media Release

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Source: Labour Force, Australia, November 2023

The unemployment rate rose by 0.1 percentage point to 3.9 per cent in November (seasonally adjusted), up from a revised 3.8 per cent in October, according to data released today by the Australian Bureau of Statistics (ABS).

Bjorn Jarvis, ABS head of labour statistics, said: "With employment increasing by 61,000 people, and the number of unemployed people rising by 19,000, the unemployment rate rose to 3.9 per cent in November.

“The combination of strong growth in both employment and unemployment in November saw the employment-to-population ratio return to a record high of 64.6 per cent and the participation rate reach a new high of 67.2 per cent.

“We have continued to see employment growth keeping pace with high population growth through 2023. The employment-to-population ratio has been high for a long time now, between 64.4 per cent and 64.6 per cent since February 2023, and between 64.3 per cent and 64.6 per cent for the past 18 months.

"Similarly, participation continues to be high. In addition to strong employment growth over the past year, the number of unemployed people has also increased by around 81,000 people, and the unemployment rate has risen by 0.4 percentage points. However, both unemployment measures remain well below their pre-pandemic levels.”

Employment and hours worked

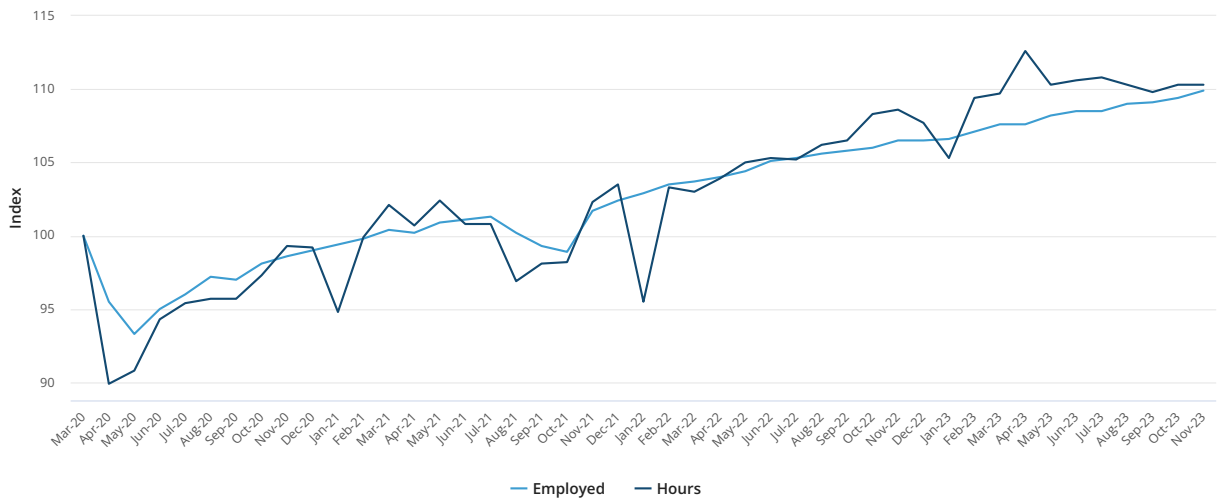
While employment growth continued into November 2023, rising by 0.4 per cent, monthly

hours worked rose by less than 0.1 per cent.

“The recent slowdown in hours worked over the past six months continued into November, with the total number of hours worked now around where it had been back in May. However, this follows very strong growth during late 2022 and early 2023,” Mr Jarvis said.

“The slowing in hours means that overall growth rates in employment and hours worked are now similar over the past 18 months. The narrowing gap between these two growth rates suggests that the labour market is now less tight than it has been.”

Seasonally adjusted employment and hours worked, indexed to March 2020



Source: Labour Force, Australia, Tables 1 and 19

Underemployment and underutilisation

The slowdown in hours worked also coincided with a further increase in the underemployment rate, which rose 0.2 percentage points to 6.5 per cent in November. While this was 0.7 percentage points higher than November 2022, it was still around 2.2 percentage points lower than before the pandemic.

The underutilisation rate, which combines the unemployment and underemployment rates, rose 0.3 percentage points to 10.4 per cent. This was 1.1 percentage points higher than last November, but 3.6 percentage points lower than March 2020.

Underlying trend data

In November, the trend unemployment rate remained at 3.8 per cent.

Employment grew by around 36,000 people (0.2 per cent) and hours worked fell 0.1 per cent in November, in trend terms.

The employment-to-population ratio remained at 64.6 per cent, and the participation rate remained at 67.1 per cent.

The underemployment rate remained at 6.4 per cent and the underutilisation rate remained at 10.2 per cent.

“In trend terms, many of the key indicators still point to a tight labour market. However, the increasing unemployment rate since November 2022, along with the rising underemployment rate and slowdown in hours growth, may suggest that the labour market is starting to slow," Mr Jarvis said.

Further information, including regional labour market information, will be available in the upcoming November 2023 issue of Labour Force, Australia, Detailed, due for release on Thursday 21 December 2023.

The ABS would like to thank Australians for their continued support in responding to our surveys.

Media notes

- The November survey reference period was from 29 October to 11 November 2023.
- The December survey reference period is from 26 November 2023 to 9 December 2023.
- Access official, high-resolution images of Bjorn Jarvis and other ABS media spokespeople from our image library (/media-centre/abs-image-library) .
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